(c) if so, what steps Government are contemplating to resurrect this vital sector including reduction in import duty on scrap ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL Sh. SONTOSH MOHAN DEV) : (a) to (c) While the Steel Industry in general is presently facing a demand recession, factors such as high scrap prices, high power tariff and outdated technology etc. have particularly affected Electric Arc Furnance units which have led to the closure of 85 out of 180 units. Governtment have recently constituted an Evaluation Group to examine the problems of Electric Arc Furnace units and suggest a comprehensive action plan for their development. Besides import duty on carbon steel melting scrap has now been reduced from 12.5% ad-valorem to 10% *ad-valorem.*

Setting up of a Steel Plant by N.R.I. in the Joint Sector

1693. MISS SAROJ KHAPARDE : Will the Minister of STEEL be pleased to state :

(a) whether Government are aware of any N.R.I. offer to set up a steel plant in the country in the joint sector; and

(b) if so the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV) : (a) and (b) Dr. Swraj Paul Chairman Caparo Group U.K. has offered to set up a steel plant in Orissa. This plant. under the name of 'Kalinga Steels (India) Ltd.' is proposed to be set up in pursuance of a Memorandum of Undertaking signed between Dr. Swraj Paul & Government of Orissa. Central Government's approval was accorded for manufacture of 1.5 million tonnes per annum of hot rolled steel coils and 0.42 million tonnes per annum of pig iron with a total project cost of Rs. 6400 crores. Recently Kalinga Steels (India) Limited has submitted an application to the Industrial Development Bank of India as per which the plant is projected to produce 1.25 million tonnes per annum of hot rolled steel coils, at an estimated cost of Rs. 4650 crores. The proposal is under the appraisal of the IDBI.

External Team to Check the Quality of Steel Items

1694. MISS SAROJ KHAPARDE : Will the Minister of STEEL be pleased to state :

(a) whether the SAIL is considering a proposal to have an external team to check the quality of all steel items before they are sent to consumers; and

(b) if so the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH THE MOHAN DEV) :

(a) and (b) External inspection on some of the items produced by Steel Authority of India Limited is being done on the request of the customers. The agencies for external inspection are chosen by the customers for which payment is made by them. All facilities for inspection to such agencies are provided by SAIL.

Privatisation of IISCO, Burnpur

1695. SHRI SHANKAR DAYAL SINGH : Will the Minister of STEEL be pleased to refer to the answer to Unstarred Question 194 and Starred Question 23 given in the Rajya Sabha on 3rd December 1993 and 17th December 1993 respectively and state;

(a) whether Government have since decided to transfer the IISCO Burnpur to the private sector; and

(b) if so what action has so far been taken in this regard and by when the process concerning the transfer will be completed ?

THE MINISTER OF STATE OF THE *MINISTRY OF STEEL (SHRI SONTOSH* MOHAN DEV) : (a) and (b) Government have decided to allow private sector participation in the equity and management of IISCO for the purpose of ensuring expenditious modernisation of its Burnpur Steelworks. Government proposed to introduce a Bill for empowering Government to allow Steel Authority of India Limited (SAIL) to transfer its shareholdings is IISCO to private persons for this purpose. The Bill is currently under consideration of the Department related Parliamentary Standing Committee on Industry.